

**BRUNSWICK COUNTY BOARD OF COMMISSIONERS
OFFICIAL MINUTES
REGULAR MEETING
AUGUST 21, 2006
6:30 P.M.**

The Brunswick County Board of Commissioners met in Regular Session on the above date at 6:30 p.m., Commissioners' Chambers, Central Services Building, County Government Center, Bolivia, North Carolina.

PRESENT: Commissioner David Sandifer, Chairman
Commissioner Phil Norris, Vice-Chairman
Commissioner May Moore
Commissioner Tom B. Rabon, Sr.
Commissioner William M. Sue

STAFF: Marty K. Lawing, County Manager
Steve Stone, Assistant County Manager
Huey Marshall, County Attorney
Jana Berg, Assistant County Attorney
Debby Gore, Clerk to the Board
Ann Hardy, Fiscal Operations Director

I. CALL TO ORDER

Chairman Sandifer called the meeting to order at 6:30 p.m.

II. INVOCATION/PLEDGE OF ALLEGIANCE

Vice-Chairman Norris gave the Invocation and led the Pledge of Allegiance.

III. ADJUSTMENTS/APPROVAL OF AGENDA

Chairman Sandifer asked if there were any adjustments to the agenda. The following adjustments were made:

1. The County Manager requested to add an Amended and Restated Sewer Service Agreement between Brunswick County and MAS Properties, LLC, Coastal Communities at Ocean Ridge Plantation, Inc., Ocean Isle Palms, Inc. and Ocean Ridge Properties, Inc. as item VII-8.
2. The County Manager requested to add a Recommendation of Award of Sludge Process Contract for the Northwest Water Treatment Plant to Synagro as Item VII-9.

Commissioner Sue moved to approve the agenda as amended. The vote of approval was unanimous.

IV. PUBLIC COMMENTS

Chairman Sandifer asked if there was anyone in the audience who wished to speak regarding any item on the agenda or any matter that was not included in the agenda. There were no comments from the audience.

V. APPROVAL OF CONSENT AGENDA

Commissioner Sue moved to approve the Consent Agenda. The vote of approval was unanimous. The following items were approved:

A. Minutes

1. August 7, 2006 Regular Meeting Minutes

B. Tax Matters

1. 2005 Levy Statement
2. Tax Releases for August 2006
3. April 2006 Motor Vehicle Valuation and Levy
4. August 2006 Fire Fee Releases

C. Finance

- 1) General Fund Amendment 17-Increase \$122,192

The Emergency Management department requests to appropriate amounts unexpended in FY 2005-2006 from grant proceeds and the project air supply project totaling \$122,193. The request is to appropriate the unexpended funds in FY 2006-2007 to the original expenditure line items. There are no additional county funds involved in this amendment.

- 2) General Fund Amendment 18-Increase \$40,164

The Emergency Management Progress Energy department requests to appropriate amounts unexpended in FY 2005-2006 from grant proceeds totaling \$40,164. The request is to appropriate the unexpended funds in FY 2006-2007 to the original expenditure line items. There are no additional county funds involved in this amendment.

- 3) General Fund Amendment 19-Increase \$168,065

The County has received an amendment for the JCPC 2006/2007 State grant award from the DJJDP for various programs. The request is to appropriate the funds for expenditure as authorized by the grant. There are no additional county funds involved in this amendment.

- 4) General Fund Amendment 20-Increase \$64,252

Social Services Amendment 3-Increase \$5,533

The County has received an amendment for the Rural Operating Assistance Program (ROAP) 2006/2007 State grant award from the NC DOT for the following programs: EDTAP \$32,514.50, Work First \$5,532.50 and RGP \$31,737.50 totaling \$69,784.50. The request is to appropriate the funds for expenditure as authorized by the grant into the general fund and the social services fund. There are no additional county funds involved in this amendment.

- 5) General Fund Amendment 21-Increase \$242,009

The Sheriff's department requests to appropriate amounts unexpended in FY 2005-2006 from federal drug seizure funds and the interest associated with those funds totaling \$242,009. The request is to appropriate the unexpended funds in FY 2006-2007 to the expenditure line items within the Sheriff's budget. There are no additional county funds involved in this amendment.

- 6) General Fund Amendment 22-Increase \$78,483

The finance department requests to appropriate amounts unexpended in FY 2005-2006 from appropriations made to the commissioner district allocations funds totaling \$78,483. The request is to appropriate the unexpended funds in FY 2006-2007 to the expenditure line items for general

and senior funds within each commissioner's budget. There are no additional county funds involved in this amendment.

7) General Fund Amendment 23-Increase \$12,306

The Parks and Recreation department requests to appropriate amounts unexpended in FY 2005-2006 from the Dixie Youth Program funds of \$12,306. The request is to appropriate the unexpended funds in FY 2006-2007 to the expenditure line items for the Dixie Youth Program. There are no additional county funds involved in this amendment.

8) General Fund Amendment 24-Increase \$58,368

The Sheriff's department requests to appropriate amounts unexpended in FY 2005-2006 from federal funds totaling \$58,368. The request is to appropriate the unexpended funds in FY 2006-2007 to the expenditure line items within the Sheriff's budget. There are no additional county funds involved in this amendment.

9) General Fund Amendment 25-Increase \$125,000

The finance department requests to appropriate amounts unexpended in FY 2005-2006 from appropriations made to the Shallow Inlet Dredging Projects at Lockwood Folly River and Shallotte River totaling \$125,000. The request is to appropriate the unexpended funds in FY 2006-2007 to the expenditure line items. There are no additional county funds involved in this amendment.

10) Social Services Fund Amendment 2-Increase \$25,418

Health Fund Amendment 2-Increase \$29,715

Health Fund Amendment 3-Increase \$39,622

General Fund Amendment 26-Increase \$94,755 Transfer to DSS and Health Funds

The social services department requests to roll forward unexpended funds in the Special Needs Adoption Fund that were unexpended in FY 05-06 and appropriate for program expenditures in FY 06-07. The health department requests to roll forward unexpended funds in the spay and neuter project that were unexpended in FY 05-06 and appropriate for program expenditures in FY 06-07. The health department requests to roll forward unexpended funds in the vehicle fund in FY 05-06 and appropriate for replacement vehicles in FY 06-07. There are no additional county funds involved in these amendments.

11) Health Fund Amendment 1-Increase \$9,374

The Health department received a mini grant for the WIC program in the amount of \$9,374 for use in the client services program. The funds are restricted for utilization in the WIC program and staff recommends appropriation of the funds for the program. There are no additional county funds involved in the amendment.

12) Emergency Telephone Service Fund 2-\$14,433

The department requests to roll forward TriTech funds of \$14,433 unexpended in the Wireless Emergency Services budget at FYE 2005-2006. Staff requests appropriation of the funds for rent of equipment in FY 2006-2006. There are no additional county funds involved in the amendment.

13) Water Fund 1-\$52,000

The department requests the roll forward of unexpended funds in the Utilities Customer Service project funds for the renovation of the department and counters totaling \$52,000. The department

requests appropriation of the funds for the department renovation project in FY 2006-2007. There are no additional county funds involved in the amendment.

14) Water Fund 2-\$39,385

The department requests the roll forward of unexpended funds in the Water fund for a mobile generator totaling \$39,385. The department requests appropriation of the funds for the mobile generator in FY 2006-2007. There are no additional county funds involved in the amendment.

15) General Fund Amendment 27-\$200,000

Funds remained of \$200,000 in the DAK Americas project at the end of FY 2005-2006. Staff recommends the funds be appropriated to the project in FY 2006-2007. There are no additional county funds involved in the amendment.

16) Health Fund Amendment 4-\$1,300

The health department received additional State funding in the amount of \$1,300 for the child lead program. Staff recommends the funds be appropriated for program supplies and materials. There are no additional county funds involved in the amendment.

17) Medicaid Report

The county's account was drafted for Medicaid expenditures on August 14, 2006 for the month of July 2006 in the amount of \$309,814. This is a 10.91% decrease over the same period in FY 06 and represents 6.57% of the amended annual budget for Medicaid. A report comparing the last three fiscal years is included for information.

D. Zion United Methodist Church Tipping Fee

Staff requests approval to exempt Zion United Methodist Church from Tipping Fees at the Brunswick County Landfill.

VI. PUBLIC HEARING

1. CDBG Grant Application

CALL TO ORDER

Chairman Sandifer called the Public Hearing to order at 6:33 p.m. and announced that the purpose of the Public Hearing was to obtain public input on the potential use of the Community Development Block Grant program funds that permits a wide range of economic and community activities including acquisition, public facilities construction, loans to private businesses, housing rehabilitation, code enforcement, clearance, project planning and administration.

PUBLIC COMMENTS

Chairman Sandifer asked if there was anyone in the audience who wished to address the Board on the CDBG Grant Application. There were no comments from the audience.

ADJOURN

Commissioner Sue moved to adjourn the Public Hearing at 6:35 p.m. The vote of approval was unanimous.

VII. ADMINISTRATIVE REPORT

1. Criminal Justice Partnership Program Grant - (Kim Layne)

Staff recommends that the Board of Commissioners approve the Grant Award Contract for funding for the Criminal Justice Partnership Program for FY 2006-2007 and approve the appropriate Budget Amendment.

Kim Layne, CJPP Coordinator explained that the Board of Commissioners approved the submittal of the CJPP grant application for FY 2006-2007, in the amount of \$77,786. The legislature authorized additional funding for the Criminal Justice Partnership Program and modified the methodology by which funds are distributed to counties. As a result, the funding amount has changed to \$89,840 and has been approved by the North Carolina Department of Corrections, Division of Community Corrections with an effective date of July 1, 2006.

Commissioner Moore moved to approve the Grant Award Contract for funding for the Criminal Justice Partnership Program for FY 2006-2007 and the associated Budget Amendment. The vote of approval was unanimous.

2. Utilities –Sea Trail Wastewater Treatment Facilities Improvements - (Jerry Pierce)

Staff recommends that the Board of Commissioners award a construction contract with Water & Waste Systems Construction, Inc., for the construction of the Sea Trail Wastewater Treatment Facilities Improvements project.

Jerry Pierce, Utilities Director explained that in order to provide additional sewage treatment capacity in the southwest portion of the County, it was decided to move the inactive wastewater treatment package plant currently located at Winding River to the existing Sea Trail Wastewater Treatment Facility. HDR Engineering performed the design work necessary for site preparation and “hook-up” of the Winding River package plant at the Sea Trail site. The general scope of work under this construction contract includes the following:

- Foundation Construction for Control Building and Package Plant
- Headworks Construction (grit removal & screening)
- Piping
- Flow Splitter Construction
- Upset Pond Pumping System

The construction project was advertised and bids were received from the following contractors on August 10, 2006:

- State Utility Contractors, Inc.
- Seaside Utilities, Inc.
- T.A. Loving Company
- Alderman Brothers Construction, Inc.
- Water & Waste Systems Construction, Inc.

Using State construction guidelines, the Utilities Department has reviewed the bid proposals and recommends the project be awarded to the lowest, responsible bidder, Water & Waste Systems Construction, Inc., in the amount of \$562,900.

Vice-Chairman Norris moved to award the construction contract to Water & Waste Systems Construction, Inc. for the construction of the Sea Trail Wastewater Treatment Facilities Improvements Project. The vote of approval was unanimous.

3. Finance – Financial Advisor and Underwriters - (*Ann Hardy*)

Staff recommends that the Board of Commissioners approve the engagement of Financial Advisor and Underwriters for 2007 Enterprise System Revenue Bonds, Community College General Obligation Bonds and School Certificates of Participation Bonds.

Ann Hardy, Fiscal Operations Director explained that the County requested and received proposals from investment banking firms to assist the county in the 2007 planned debt issues for Enterprise System Revenue Bonds associated with the expansion of the West Brunswick Regional Wastewater Treatment System, Community College General Obligation Bonds and School Certificates of Participation Bonds.

The services requested were to serve as a financial advisor and/or underwriter to the county on the bond issues. Two firms responded to offer their services as only financial advisor either on an on-going basis or a transaction basis: Davenport and Company LLC of Richmond, VA and First Southwest Company of Charlotte. Three firms responded to offer their services as both financial advisor and underwriter for the transactions: BB&T Capital Markets, AG Edwards Capital Markets and Bank of America Securities Public Finance.

For the firms offering only financial advisor services, Davenport did not quote a fee but stated they were open to the County's preferences on how best to structure their compensation. First Southwest proposed a Financial Advisory Agreement with fees not to exceed \$1.25 per \$1,000, with a minimum fee of \$30,000 per transaction. For services other than pending bond transactions they propose a fee of \$225/hour.

Community College Transaction

For the firms offering to serve as both financial advisor and underwriter the proposed fees were as follows for the Community College General Obligation Bond Issue:

Bank of America fixed rate bonds \$.38/1,000 or \$10,000 and if variable rate bonds are issued \$0 management fee with a \$2.00/1,000 underwriter takedown fee for a total of \$53,000 plus reimbursable expenses.

AG Edwards did not quote fixed rate bonds but did quote variable rate at \$1.20/1,000 management fee and \$.50/1,000 underwriter takedown fee for a total of \$1.70/1,000 or \$45,050 plus expenses.

BB&T Capital fixed rate bonds \$.55/1,000 or \$14,575 and did not offer a quote for variable rate bonds. However should they be awarded all three transactions they will waive the financial advisory fee for a fixed rate sale.

School Certificate of Participation Transaction

For the firms offering to serve as both financial advisor and underwriter the quotes were as follows for the School Certificate of Participation Bond Issue:

Bank of America fixed rate bonds \$0 management fee with an underwriter takedown fee of \$4.00/1,000 or \$66,000 and for variable rate bonds \$0 management fee with a \$2.00/1,000 underwriter takedown fee for a total of \$33,000 plus expenses.

AG Edwards fixed rate bonds \$1.00/1,000 management fee and \$3.25/1,000 underwriter takedown fee for a total of \$4.25/1,000 or \$70,125 plus reimbursable expenses. Variable rate bids were not requested or offered.

BB&T Capital fixed rate bonds \$1.00/1,000 management fee and \$3.65/1,000 underwriter takedown fee for a total of \$4.65/1,000 or \$76,725 plus expenses. Variable rate bids were not requested or offered.

Enterprise Revenue Bond Transaction

For the firms offering to serve as both financial advisor and underwriter the quotes were as follows for the wastewater enterprise system expansion revenue bonds:

Bank of America fixed rate bonds \$.50/1,000 management fee with an underwriter takedown fee of \$4.00/1,000 totaling \$4.50/1,000 for a total of \$157,500 and for variable rate bonds \$.50/1,000

management fee and a \$2.00/1,000 underwriter takedown fee for a total of \$2.50/1,000 totaling \$87,500 plus expenses.

AG Edwards fixed rate bonds \$.80/1,000 management fee and \$3.50/1,000 underwriter takedown fee for a total of \$4.30/1,000 or \$150,500 plus expenses. The management fee proposed is .80/1,000 for up to \$40 million and capped at no more than \$32,000 should the County issue more than \$40 million in revenue bonds. Variable rate bids were not requested or offered.

BB&T Capital fixed rate bonds \$.37/1,000 management fee and \$2.67/1,000 underwriter takedown fee for a total of \$3.04/1,000 or \$106,350 fee plus expenses. Variable rate bids were not requested or offered.

Recommendation

Bank of America has served the County over the past year and one-half in developing Capital Improvement Plans, monitoring all issues for refunding opportunities, and providing information that facilitated planning for both the community college and school transactions. In addition, Bank of America served as the financial advisor for the 2005 general obligation and certificate of participation issues and aided in agency presentations that resulted in a ratings upgrade in 2005. Likewise, AG Edwards served as the financial advisor and underwriter manager for the 2004 revenue bond issue and has continued to provide on-going assistance to staff in reviewing proposals prepared for other entities, contracts and debt structuring for the up-coming enterprise debt issues. Both AG Edwards and Bank of America have retail distribution networks large enough to effectively market the debt issues for the County. Bond counsel's advice regarding both firms and their staff proposed for the up-coming issues was positive.

Staff recommends that Bank of America serve the County for both the Community College General Obligation Bond and the School Certificate of Participation transactions based on prior services, a competitive and fair fee proposed and the qualifications of the staff assigned to the transactions. Staff recommends that AG Edwards serve the County for the Enterprise Revenue Bond Transaction in a senior manager capacity based on prior services, retail marketing capabilities of the firm and a fair and competitive fee proposed and the qualifications of the staff assigned to the transactions. Due to the size of the revenue bond transaction, a co-manager is required and staff recommends Bank of America serve as the co-manager.

Staff does not recommend engaging a separate financial advisor at this time. There are many similarities between the activities outlined in the scope of services of Bank of America and AG Edwards to the services proposed by First Southwest and Davenport. In addition, the County has found that Bank of America and AG Edwards have been available to the county on an on-going basis for consultation at no additional fee. The Local Government Commission will provide oversight on the actual day of print to review the underwriter's structure and yields providing another level of assurance that is proposed in the scope of services offered by the financial advisor firms. A financial advisor's role is to assist with assuring that fees proposed by underwriters are competitive. The County has confirmed that the underwriter and management fees are competitive during the process of seeking proposals.

Commissioner Moore moved to approve Financial Advisor Underwriter engagements with Bank of America for the Community College General Obligation Bond and School Certificate of Participation Transactions and AG Edwards as Manager and Bank of America as Co-Manager on the Enterprise Revenue Bond Transaction. The vote of approval was unanimous.

4. Finance – Utility Accounts Receivable - (Ann Hardy)

Staff recommends that the Board of Commissioners approve the amount of \$212,277.16, which has been determined to be uncollectible and is still on the books and records of the funds, be

recorded as uncollectible at June 30, 2006; that the amounts owed remain on the individual customer service records and staff take all legal steps to collect the amounts owed the County.

Ann Hardy, Fiscal Operations Director explained that Utility accounts receivable at June 30, 2006 are required to be analyzed to determine a conservative amount that is deemed uncollectible for financial reporting according to Generally Accepted Accounting Principals. A typical accounting method is to move all accounts greater than 120 days old to a status of uncollectible and remove the corresponding amount from revenue on the financial records. This process does not relinquish the government's ability to collect the amounts owed. Legal actions are still taken to resolve past due accounts older than 120 days. In addition, if the customer attempts to establish new service the amount is reinstated and collection must be made for the new service to occur.

It appears that the review of the utility accounts receivable and corresponding recording of uncollectible accounts on the books and records of the water and wastewater fund has not occurred since the fiscal year ending June 30, 2004. The amounts in the table below represent accounts that are closed and inactive greater than 120 days only. All deposits were applied in order to arrive at the amounts below.

	Proposed Write-Off	Revenues (FY 05 & FY 06)	% of Revenue Proposed for Write-off
Water	\$89,812.46	\$6,899,491	1.3%
Water Availability	\$82,093.54	\$5,829,285	1.4% (excluding AV only accounts)
Sewer	\$39,354.93	\$2,579,886	1.5%
Sewer Availability	\$372.00	\$52,679	0.7%
Tap	\$644.23	\$1,015,481	0.1%
Totals	\$212,277.16	\$16,376,822	1.3%

Staff recommends that the amount of \$212,277.16 which has been determined to be uncollectible and is still on the books and records of the funds be recorded as uncollectible at June 30, 2006. This amount is approximately 1.3% of total revenues for the 2 year period.

Staff recommends that the amounts owed remain on the individual customer service records and staff take all legal steps to collect the amounts owed the county. Customer service staff will continue to check to see if a service has been previously set up in a persons name before opening another account and if the old account has been written off, staff will collect before the new account is opened. Staff collects availability charges from owners of rental property when tenants leave owing a balance but legally may not collect tenant owed water and sewer balances of the property owner. Staff has increased efforts to disconnect services within 60 days of non payment for balances not covered by the deposit. For tenants staff increased efforts to disconnect services within 60 days of non payment without taking the deposit into consideration. Staff further recommends that the county implement a practice of recording all amounts greater than 120 days old as uncollectible by recording accounting entries according to Generally Accepted Accounting Principals to reduce the accounts receivable for amounts owed greater than 120 days and reduce the corresponding revenue accounts for the same amount while continuing to vigorously seek funds owed the county.

Commissioner Sue moved to approve \$212,277.16 of the June 30, 2006 Utility Accounts Receivable balance as uncollectible for financial reporting purposes and that the county

implement a practice of recording all Utility Bill amounts greater than 120 days old as uncollectible by recording accounting entries according to Generally Accepted Accounting Principals to reduce the accounts receivable for amounts owed greater than 120 days and reduce the corresponding revenue accounts for the same amount while continuing to vigorously seek funds owed the county. The vote of approval was unanimous.

5. Finance – Sungard Bi-Tech Proposal - (*Ann Hardy*)

Staff recommends that the Board of Commissioners approve the Sungard Bi-Tech proposal as presented.

Ann Hardy explained that the County finance and human resources departments utilize Sungard Bi-Tech software systems for processing operations such as payroll, accounts payable, general ledger, budget and human resource management systems. The version of the software currently utilized is out of date and does not offer the functionality of the software currently licensed to the county. The human resource software is provided little support by Bi-tech and notification has been received that the company will no longer support the software in the near future. A software migration from the version of the software the county is using to the currently licensed version of the software will involve over 791 hours of professional assistance from the vendor at a cost \$121,650. Licenses and the first year support for Human Resources software for employee online and applicant online software modules costs \$16,318.

The planned implementation of the software upgrades is to occur in three phases. The first phase will be to convert the finance software to IFAS 7i to occur from September-December 2006. The second phase of the upgrade is to convert the HR software from Smart DB to Base HR from January 2007-August 2007. The third and final phase is to implement the bank reconciliation process, documents online and workflow processes from September 2007-December 2007.

Both departments presented major goals of upgrading the software system to the current releases during the FY 06/07 budget retreat and work sessions. The funds for the upgrade were appropriated in the FY 06/07 budget. The finance and human resources departments recommend approval of the IFAS Improvement project proposed by Sungard Bi-tech dated August 14, 2006 for a total cost of \$137,968.

Commissioner Sue moved to approve the Sungard Bi-Tech proposal as presented. The vote of approval was unanimous.

6. Finance - Local Option Sales Tax Report - (*Ann Hardy*)

Staff recommends that the Board of Commissioners receive the Local Option Sales Tax Report as information.

Ann Hardy reported that the County received local option sales tax proceeds on August 11th for the month of June 2006 totaling \$1,634,430 compared to \$1,843,648 for June 2005.

For the fiscal year ending June 30, 2006, the total of all local option sales tax proceeds was \$21,061,221, an increase of \$2,193,318 or 11.63% over the prior year sales tax receipts. The local option sales tax budget for fiscal year 2005-2006 was \$20,040,810. The increase over the amount budgeted was \$1,020,411 or 5.09%.

Article 40, which is a half-cent and dates back to 1983, is distributed based on population. Article 40 local option sales tax collections for FY 2005-2006 were \$4,007,632.59. The county receives 70% of the amount or \$2,805,342.82. Brunswick County Schools receives 30% of the total or \$1,202,289.78.

Article 42, which is a half-cent and is distributed based on population dates back to 1985. Article 42 local option sales tax collections for FY 2005-2006 were \$3,964,062.55. The county receives 40% of the amount or \$1,585,625.03. Brunswick County Schools receives 60% of the total or \$2,378,437.52.

The total of both articles for Brunswick County Schools was \$3,580,727.31 which was deposited into the School Capital Reserve Fund to be used for debt service payments funding school capital projects or to fund school capital projects per the approved budget ordinance.

Article 39, which is one cent and dates back to 1971, is distributed based on where the goods are bought. Article 39 local option sales tax collections for FY 2005-2006 were \$9,166,780.23. Article 44, which is a half-cent and dates back to 2001, is distributed half based on population and half based on where the goods are bought. Article 44 local option sales tax collections for FY 2005-2006 were \$3,922,746. Both articles accrue to the county.

The Board received the FY 05-06 Local Option Sales Tax Annual Report as information.

7. Contract Amendment – Hemphill and Associates - (Steve Stone)

Staff recommends that the Board of Commissioners approve an amendment to our professional services agreement with Hemphill and Associates to increase the allowance for civil engineering on the new administration building project in the amount of \$10,670.

Comment:

Steve Stone, Assistant County Manager explained that when planning began for the new administration building, it was envisioned that less than 1 acre of land would be disturbed and that the building would be in the 18,000 square foot range. However, as planning progressed, it became obvious that the project would disturb more than 1 acre of land and that the project would be of significantly greater size and scope than the original vision. Because of this change, the project architect has requested that our agreement with his firm be increased by \$10,670 to cover the increased cost of the civil engineering subcontract for the project. The original architectural project budget for civil engineering was \$11,230, but the cost proposal for the current engineering scope of work is \$21,900. The Administration Building Project Team has reviewed this request and recommends approval.

Commissioner Sue moved to approve an amendment to the Professional Services Agreement with Hemphill and Associates to increase the allowance for civil engineering on the new Administration Building Project in the amount of \$10,670. The vote of approval was unanimous.

8. Amended and Restated Sewer Service Agreement (Marty Lawing)
(Added under Adjustments to the Agenda)

Staff recommends approval of the Amended and Restated Sewer Service Agreement Between Brunswick County and MAS Properties, LLC, Coastal Communities at Ocean Ridge Plantation, Inc., Ocean Isle Palms, Inc. and Ocean Ridge Properties, Inc.

Marty Lawing, County Manager explained that Brunswick County and the above referenced corporations that have interest in the Ocean Ridge sewer collection system have requested approval by the Division of Water Quality of the change in ownership of the system from Ocean Ridge to the County. In reviewing the request the Division identified a contradiction in the Sewer Service Agreement and Division permitting requirements. Section 1. of the Sewer Service Agreement states that the grinder pumps would not be included in the transaction. Division regulations require the grinder pumps to be transferred with the collection system. Although the grinder pumps must be transferred to the County, the Division has no issue with the conditions in

Section 3 that stipulate that the County is responsible for the repair and replacement of the existing grinder pumps but the cost of grinder pump installation, repairs and replacement shall be billed to the individual property owner.

The other parties to the agreement are in agreement with the amendment. Upon approval of the amendment the Division will be notified and the review process for ownership change can proceed.

Vice-Chairman Norris moved to approve the Amended and Restated Sewer Service Agreement between Brunswick County and MAS Properties, LLC, Coastal Communities at Ocean Ridge Plantation, Inc., Ocean Isle Palms, Inc., and Ocean Ridge Properties, Inc. The vote of approval was unanimous.

9. Award of Sludge Process Contract with Synagro (*Jerry Pierce*)
(Added under Adjustment to the Agenda)

Staff recommends approval of recommendation of award of sludge process contract for Northwest Water Treatment Plant to Synagro for the unit price of \$477/dry ton for sludge hauled to their disposal site and \$315/dry ton for sludge hauled to the County C & D Landfill.

Jerry Pierce, Utilities Director explained that the Northwest Water Treatment Plant generates approximately 600 dry tons of water plant sludge per year. The existing sludge drying beds cannot adequately dewater the volume of sludge produced so the County must contract with sludge processing firms to dewater the sludge and to transport the dewatered sludge to an approved disposal site. The County developed specifications and advertised the contract to sludge processing firms. The specifications required the bidder to provide bids for two sludge disposal options: transporting to the County C & D landfill and transporting to their NC DENR approved site.

The County received five bids from sludge processing firms. Three of the bids were deemed to meet the specifications. The lowest bid for sludge processing was submitted by Synagro at \$477/dry ton for sludge hauled to their disposal site and \$315/dry ton for sludge hauled to the County C & D Landfill.

Commissioner Moore moved to approve the recommendation of award of sludge process Contract for the Northwest Water Treatment Plant to Synagro for the unit price of \$477/dry ton for sludge hauled to their disposal site and \$315/dry ton for sludge hauled to the County C&D Landfill. The vote of approval was unanimous.

VIII. BOARD APPOINTMENTS

1. Town of Calabash Planning and Zoning Board Appointment

Vice-Chairman Norris nominated Alton Watts. Commissioner Rabon moved to close the nominations. The vote of approval was unanimous. Commissioner Rabon moved to approve the recommended appointment of Alton Watts to the Town of Calabash Planning/Zoning Board. The vote of approval was unanimous. Mr. Watts will serve another three-year term that will expire on October 13, 2009.

IX. COUNTY ATTORNEY'S REPORT

1. Deed of Dedication and Affidavit for Seaspray Cove at Carolina Place Phase III Water Lines

Huey Marshall, County Attorney explained that these installations have been completed and are ready for acceptance into the County System.

Commissioner Sue moved to approve the Deed of Dedication and Affidavit for Seaspray Cove at Carolina Place Phase III Water Lines. The vote of approval was unanimous.

2. Deed of Dedication and Affidavit for Centex Homes at Beacon Townes - Carolina Shores Water Lines

Huey Marshall, County Attorney explained that these installations have been completed and are ready for acceptance into the County System.

Vice-Chairman Norris moved to approve the Deed of Dedication and Affidavit for Centex Homes at Beacon Townes – Carolina Shores Water Lines. The vote of approval was unanimous.

3. Closed Session 7:01 p.m.

Vice-Chairman Norris moved to enter Closed Session pursuant to NCGS 143-318.11 (a) (3) attorney client privilege to discuss confidential matters and real estate. The vote of approval was unanimous.

BREAK The Chairman called a 10-minute break.

Reconvened 7:53 p.m.

Chairman Sandifer called the Open Session back to order and announced that no action was taken in Closed Session.

X. OTHER BUSINESS/INFORMAL DISCUSSION

There was no other business to discuss.

XI. ADJOURNMENT

9:15 p.m. Commissioner Moore moved to Recess the Regular Meeting until August 28, 2006 at 2:00 p.m. to hold a Workshop to review the Proposed Abandoned Manufactured Home Abatement Ordinance, Draft Minimum Housing Code and the Proposed Modifications to Existing Abandoned and Junked Motor Vehicles. The vote of approval was unanimous.

David R. Sandifer, Chairman

Deborah (Debby) Gore, Clerk to the Board